

How Do We Preserve Medicaid?

PUT NEW MEXICANS FIRST!

The public has emphasized three principles for redesigning Medicaid:

- **Access:** People need care where they live. Improving access to services saves costs.
- **Affordability:** People with limited resources cannot afford more cost-sharing.
- **Accountability:** The state needs better data and performance measures for managed care.

HSD's proposals counter these interests of the public:

1. "Personal Responsibility" (eg. Fees and Co-pays)

- Costs add up quickly for families and people that have chronic conditions and high health needs. Families should not have to choose between rent, food, gas, or medicine.
- Numerous studies shows that fees and co-pays reduce the use of necessary services, resulting in untreated condition, worsened health, and increased use of the emergency room.
- Health care providers will bear the burden of providing services that go unpaid.
- Charging fees for using the emergency room for a non-emergency penalizes people who do not have access to primary care. There are other ways to reduce ER visits than increasing co-pays.
- This will not save money- administrative costs will be high, the fees and co-pays don't receive federal matching funds, and taxpayers will bear the costs of overwhelmed charity care programs.

2. Global Waiver

- The state may be forced to cut services or cap enrollment because it must prove to the federal government that federal money will be saved by a Section 1115 global waiver.
- A global 1115 waiver provides less protection than the current waiver programs for disabled and elderly people because it allows almost any part of the Medicaid Act to be waived, such as limits on cost sharing, and freedom of choice for patients to choose providers and services.

3. Pay for Performance

- We have no information about how a "pay for performance" program will be structured, and very little evidence from other states that these programs result in better health outcomes.
- Administration of the program will require a substantial investment of personnel and money.

4. Coordinated Service Delivery System

- Medicaid recipients are frustrated with the hoops they have to jump through to get services and with the denial of services by managed care.
- The expansion of managed care in Florida and Tennessee has been fraught with problems. New Mexico is in no better position to hold managed care companies accountable – we have no data about whether people are actually receiving the services they need.